

COMMITTEE ON WAYS AND MEANS

Representative Jack Harper, Chairman
 Representative Ted Vogt, Vice-Chairman
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* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
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 [LIV] Line Item Veto

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HB 2092 – Chapter 197 – property tax appeals; valuation; classification

Expands eligibility for utilizing Tax Court's simplified, small claims procedure, modifies the decision making authority granted to SBOE with regard to appeals of property valuation or classification, and allows new homeowners to judicially appeal the valuation of their property if the former owner did not receive final judgment or dismissal.

HB 2120 – Chapter 38 – internal revenue code conformity.

Updates the statutory definition of *internal revenue code* to conform to changes made at the federal level, including those adopted by the US Congress in the Trade Adjustment Assistance Extension Act of 2011.

HB 2123 – Chapter 114 [E] – transaction privilege tax reform committee

Establishes the TPT Reform Committee for the purpose of studying and proffering recommendations related to the collection of GF revenues, including individual and corporate income taxes and TPT.

HB 2178 – Chapter 200 – *property taxes; refund; forgiveness

Session law measure that directs the county treasurer to refund taxes paid, and forgive any property taxes and accrued penalties due from TYs 1987 through 2009, for landowners whose property was the subject of a federal lawsuit brought by the US for the benefit of the Fort Mohave Indian Tribe.

HB 2212 – Chapter 71 – tax exempt organizations; returns; exception

Increases the threshold at which tax exempt organizations are required to file a state income tax return, from \$25,000 in gross income to \$50,000 in gross receipts, in alignment with IRS prescribed guidelines.

HB 2358 – Chapter 206 – *theme park districts

Removes the *vehicle support facilities* component from Theme Park and Vehicle Support Facility Districts, expands the allowable locations for theme park sites, and allows for their segregation for financing purposes and revenue bond issuance.

- Lowers the private financial contribution threshold to 20% of the principal amount of the bond issue, and allows the district to issue taxable bonds and sell federally issued New Markets Tax Credits in exchange for private investment.

HB 2460 – Chapter 226 – special taxing districts; boundaries

Allows Maricopa County based non-contiguous parcels of land located in an unincorporated area or county island within a half-mile of an adjacent fire or sanitary district to be amended into those districts, through August 1, 2014.

HB 2466 – Chapter 332 – *payments; local sales tax

Creates an ADOA procured and privately maintained online portal through which taxpayers residing in non-program cities may elect to pay their municipal TPT and affiliated use taxes.

HB 2478 – Chapter 349 – *property tax; facilities

Limits the application of the Class 9 property tax assessment to improvements and property used either exclusively for athletic, recreational, entertainment, artistic, and cultural facilities or primarily for convention activities.

HB 2486 – Chapter 350 – homeowners’ rebate affidavit

Modifies the definition of Class 3 property and the criteria for distinguishing primary, secondary, and rental property, eliminates the current statutory affidavit requirement related to additional state aid, referred to as the Homeowners’ Rebate program, and halves the corresponding civil penalty assessed against an owner whose property is reclassified from Class 3 to Class 4.

HB 2608 – Chapter 124 – assessed valuations; audit

Allows DOR to audit the valuation of locally assessed new construction, and bases the determination of local primary and secondary property tax rates on the county assessed, February 10 valuations.

HB 2627 – Chapter 271 – tax credit; charitable organizations

Removes the requirement that organizations declare whether they promote or provide referrals for abortions from the DOR certification criteria required to receive tax deductible contributions.

HB 2651 – Chapter 104 – road enhancement improvement districts

Allows for the conversion of a county improvement district to a road enhancement improvement district and allows the county BOS to grant governing authority of the converted district to an elected board.

HB 2702 – Chapter 274 [E] – sanitary districts; projects; revenues

Eliminates the requirement that a sanitary district receive voter approval in order to enter into and perform financial assistance loan repayment agreements with WIFA for the purchase or improvement of wastewater treatment systems, and prescribes the purposes for which a district may obligate wastewater treatment facility revenues.

HB 2727 – Chapter 77 – public school tax refund checkoff

Allows taxpayers to elect to contribute any amount of their individual income tax refund to the Assistance for Education Fund.

HB 2760 – Chapter 129 – publicity pamphlets; bond elections

Requires school districts and political subdivisions to, respectively, declare or set a deadline for submitting arguments related to bond propositions, and that DOR provide the current secondary assessed valuation, rather than an estimate of it, to the school district governing board and county school superintendent for determining the appropriate tax rate.

HB 2801 – Chapter 130 – property tax bills; payment; interest

Prohibits interest from being collected on property taxes paid in full by December 31, regardless of whether the statutory timeframe for doing so has elapsed.

HB 2803 – Chapter 216 – personal property tax appeal deadline

Provides a 10 day extension to the timeframe in which property owners may administratively appeal their personal property valuation or classification to the county assessor, from 20 to 30 days after the delivery of the notice of valuation.

SB 1045 – Chapter 3 – tax correction act; 2012

Corrects errors, obsolete language, and blending problems within A.R.S. that govern state tax laws.

SB 1046 – Chapter 2 – corporate tax allocation; sales factor

Allows multi-state service providers to elect to treat sales as in-state, based on a combination of income-producing activity sales and market sales, with the allowance for market sales to comprise 100% of in-state sales from TY 2017 forward.

SB 1047 – Chapter 4 – *school tuition organizations; credits; administration

Establishes an additional, and equivalent, individual income tax credit for contributions to an STO that exceed the amount for which the existing individual STO tax credit can be claimed, beginning in TY 2012. Expands eligibility for corporate donations for low-income and displaced students or students with disabilities scholarships, and makes administrative and qualifying changes to the individual and corporate STO income tax credit programs.

SB 1121 – Chapter 178 – tax subtraction; charitable crop contributions

Broadens eligibility criteria for the charitable crop donation income tax subtraction allowance and increases the cap on the subtraction amount to the greater of either the wholesale market price or the most recent sales price of the contributed crop.

SB 1122 – Chapter 35 [P 105] – tax refund checkoff boxes

Removes the requirement that DOR provide space on the first page of the Arizona individual income tax return form for taxpayers to voluntarily elect to donate amounts of their income tax refunds to various funds or political parties.

SB 1131 – Chapter 41 – transportation project advancement notes

Allows counties, municipalities, and regional public transportation authorities to accelerate transportation projects by advancing monies to ADOT, regional planning agencies, metropolitan planning organizations or councils of government, and designated grant recipients, and authorizes political subdivisions to pledge excise tax revenues for the repayment of principal, premium, and interest.

SB 1190 – Chapter 281 – tax credit; military family relief

Extends the expiration of the individual income tax credit for donations made to the Military Family Relief Fund through December 31, 2018.

SB 1195 – Chapter 142 – *exemption; motor vehicle dealer licensing

Removes the requirement that qualifying tax exempt organizations exist for a minimum of five years in order to sell a donated used motor vehicle and that the vehicles be sold by consignment.

SB 1214 – Chapter 323 – use tax declaration; repeal

Retroactively eliminates the individual use tax declaration requirement from the Arizona individual income tax return.

SB 1229 – Chapter 232 – tax exemption; residential solar electricity

Provides TPT and use tax exemptions related to the transfer of solar photovoltaic electricity to an electric utility distribution system.

- Excludes the transfer of solar photovoltaic electricity to an electric utility distribution system from the definition of *business*, as it relates to TPT and use taxes.
- Deducts the portion of gross proceeds of sales or gross income attributable to the transfer of solar photovoltaic electricity to an electric utility distribution system from the tax base of the utilities classification (TPT).

- Excludes sales or transfers of *renewable energy credits* from the retail and utilities classification (TPT).
- Exempts the sale or transfer of *renewable energy credits* from use tax.

SB 1279 – Chapter 324 – personal property tax; computer software

Requires that personal and general purpose computers, to include any corresponding operating system software, used in a trade or business be valued as personal property and prohibits the personal property valuation of all non-operating system software.

SB 1407 – Chapter 347 – *fire districts; boundaries

Makes procedural changes related to the creation or adjustment of fire, sanitary, or community park maintenance district boundaries, allows non-contiguous parcels of land located in an unincorporated area or county island within a half-mile of an adjacent fire or sanitary district to be amended into those districts and expands the ability to form a non-contiguous county island fire district to all Arizona counties.

SB 1416 – Chapter 182 – property tax; agriculture classification; affidavit

Reduces the qualifying timeframe in which land must be in active agricultural production to receive the Class 2 property tax assessment, and requires that an affidavit of agricultural use be filed to satisfy classification criteria related to the reasonable expectation of operating profit.